



## Department of Energy

Washington, DC 20585

April 19, 2002

### MEMORANDUM FOR DISTRIBUTION

FROM: HELEN O. SHERMAN, DIRECTOR  
OFFICE OF FINANCE  
AND ACCOUNTING POLICY

*Helen O. Sherman*

SUBJECT: Early Guidance for Interim and Accelerated Financial Statements

Preparing interim financial statements and accelerating the annual financial statements are critical elements of the President's Management Agenda for improving financial performance. We established working groups to address the challenges in preparing interim statements and meeting the new reporting deadlines established by the Administration. In addition, we are working closely with the Office of Inspector General and KPMG to coordinate efforts to accelerate the completion of the financial statement audit.

This memorandum provides early guidance related to preparing interim and accelerated financial statements. Included are the following Attachments:

- Attachment 1 is proposed reporting due dates for the FY 2002 – FY 2004 reporting cycles. Please note that the FY 2003 and FY 2004 internal dates are proposed dates as the working group has not yet focused on the out-year acceleration reporting requirements.
- Attachment 2 summarizes the recommendations of the working groups addressing issues affecting interim financial statements.
- Attachment 3 is KPMG's FY 2002 audit site selection matrix that identifies the specific audit locations and areas selected for review this year. The Office of Inspector General is scheduling local entrance conferences for the sites selected for audit. Please note that those sites selected for detailed audit testing of property, plant and equipment are requested to prepare a PP&E rollforward schedule for balances as of June 30 to enable KPMG to perform accelerated audit testing of these balances.
- Attachment 4 is guidance for reporting prior-period adjustments.

The Office of Financial Control and Reporting will issue detailed year-end financial reporting requirements in August. No changes are expected in the FY 2002 schedule for field offices to submit year-end MARS files or the year-end schedule for FACTS 1 and 2 submissions by the power marketing administrations and the Federal Energy Regulatory Commission. However, the field office year-end analysis and footnote data will be requested by November 8, which is one week sooner than traditionally required.



We are confident we can meet this year's interim and accelerated financial statement requirements with minimal impact on field offices. However, the FY 2004 financial statement acceleration requirements pose a real challenge that will require significant changes in our financial reporting processes. Of course, efforts to meet the accelerated reporting challenge will have to be integrated with the Phoenix-BMIS system implementation and competitive outsourcing initiative. The working groups will continue their efforts to address the accelerated reporting challenge, and I encourage each of you to continue your support of their efforts.

#### Attachments

cc:

Director, Office of Management, Budget  
and Evaluation/Chief Financial Officer  
Deputy Director, Office of Management, Budget  
and Evaluation/Deputy CFO  
Director, Office of Operations  
And Program Support, NA-116  
Associate Director, Office of Management,  
Planning, and Analysis, NE-10  
Office of the Deputy Assistant Secretary for  
Policy, Planning, and Budget, EM-20  
Associate Director, Office of  
Resource Management, SC-60  
Office of Budget and Financial Management, FE-3  
Director, Office of Management  
and Operations, EE-60  
Director, Accounting Division, ME-141  
Assistant Administrator for Washington Liaison, PML  
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